

First, health care reform will end abusive practices by insurance companies. Reform will stop insurance companies from denying coverage or hiking up rates for those with a preexisting condition. We stop that in this legislation. That will lower costs. Reform will stop insurance companies from dropping coverage or reducing benefits for those who get sick.

Those reforms protect consumers, and they will protect Americans and reduce premium costs for Americans who are sick. These reforms will also help lower costs for small businesses and their employees. Right now, if one employee in a small business gets sick—just one—insurance companies can double the premiums they charge the whole business. I know that is true. I have heard that time and time again from small business owners in Montana. That is just because one employee gets sick, the insurance companies jack up premiums, double the premiums they otherwise would charge the whole business. That is just wrong. We stop that in this legislation.

How else do we lower costs in this bill? Health care reform will provide billions of dollars in tax credits and reform will limit out-of-pocket costs such as copayments that insurance companies are able to charge. We limit them. This will also help to ensure Americans can afford their total health care costs and not just their premiums.

That is very important. Premiums and out-of-pocket costs are both addressed by this bill. It limits growth in premiums and also limits growth in out-of-pocket costs. So total cost—premiums plus out-of-pocket costs—for Americans will be lower under this legislation than otherwise would be.

Third, health care reform will work to repeal the hidden tax of more than \$1,000 in increased premiums that American families pay each year in order to cover the cost of caring for the uninsured.

Today, millions of Americans without health insurance are too often forced to turn to emergency rooms to get the care they need, and then health care providers shift the cost of that care to other Americans with health insurance. People with insurance, therefore, pay higher premiums. By providing quality, affordable health insurance to millions more Americans, health care reform will reduce this hidden tax and reduce premiums for all Americans—\$1,000 per year per family due to uncompensated care. That is that hidden tax. This bill will virtually stop that hidden tax, stop that additional \$1,000 that goes to average family premiums.

How else do we reduce health care costs? By providing affordable health care to more Americans which will increase the number of Americans in the insurance market. Why? What is so good about that?

One reason is more people will have health insurance. But also it will spread the risk of paying for an acci-

dent or disease more broadly. Spreading the risk more broadly should lower premium rates for everybody. It is a basic tenet of insurance.

Fifth, health care reform will reduce costs by cutting administrative red-tape. That is no small item. Today, insurance companies spend a lot of time and money finding ways to discriminate against people. They spend time and money to find ways to drop coverage, and insurance companies pass those administrative costs on to all Americans in the form of higher premiums. The figure I heard is about 18 percent of American health care dollars is administrative costs. This legislation would dramatically reduce that percentage to a much lower number. We don't know to exactly what level yet but a much lower level. About 18 percent of total health care dollars go to pay administrative costs. That is not the case in other countries. They pay 4 to 5 percent in other countries. We have to get that down in America, and health care reform will significantly achieve that result.

Health care reform will outlaw this discrimination, and also reform will eliminate those administrative costs that go along with it. Furthermore, health care costs will work to streamline administrative procedures across the board by requiring standard enrollment forms and marketing material through insurance exchanges. That, too, will help streamline procedures. That, too, will help reduce administrative costs for providing for standard enrollment forms and also standard marketing materials through insurance exchanges. That is going to lower administrative costs and make it much easier for a person to shop and know which policy is best for him or her. With the other reforms we are making competition is more on the basis of price not just underwriting, a fancy term for denying because of a pre-existing condition and putting in all those extra escape clauses insurance companies often provide in small print. In a letter released today, the Congressional Budget Office said:

Compared with plans that would be available in the nongroup market—

And they are referring there to the individual market—

under current law, nongroup policies under the proposal would have lower administrative costs.

Let me say that again. Compared with plans that would be available in individual markets—individuals seeking insurance—under current law, individual policies under the proposal would have lower administrative costs.

Lower, not higher. Lower.

Six—another way to reduce costs. Health care reform creates insurance exchanges where consumers can easily shop and compare plans to find the right coverage. Exchanges will make it easier for Americans to choose the most efficient plans, and that will reduce their costs and put pressure on insurance companies to offer lower cost, higher quality plans.

Seven—still another way this bill reduces costs. Small business insurance exchanges will allow small companies to pool together to spread their risk and increase their buying power. More pooling available for small business insurance exchanges—this will allow small businesses to negotiate lower rates and provide more quality insurance plans with lower premiums to their employees.

Eight. Health care reform will strengthen oversight and enforcement measures to cut down on fraud, waste, and abuse in the health care system. Fraud, waste, and abuse are estimated to cost our health care system more than \$60 billion every year. This bill will help reform our system to reduce fraud, waste, and abuse, which eats up way too many health care dollars.

Nine. Health care reform will move the focus of our system toward efficiency and value with payment incentives that reward quality care—not quantity and volume but reward quality care, reward outcomes. Over the long run, paying doctors and other health care providers for quality instead of quantity will reduce health care costs.

Ten. Health care reform will lower costs by working to change the focus of our health care system from treating sickness to promoting wellness. The big problem we have today is that we treat sickness. We don't spend enough time promoting wellness. Reform will make critical investments in policies that promote healthy living and help prevent costly chronic conditions that drive up costs throughout the system.

These are just 10 examples of how health care reform will reduce health care costs and lower premiums for American consumers. There are many more, but these are those 10, as I said. On the other hand, without reform; that is, without passing this legislation, costs are guaranteed to continue to skyrocket out of control.

Since Congress failed to enact health care reform in the 1990s, health care premiums have risen eight times faster than wages. Consider that. Since the last time we attempted to pass health care reform—and failed—in the 1990s, health care premiums have risen eight times faster than wages. And if we don't reform our health care system now, premiums will increase 84 percent in the next 7 years. And that is just premiums. What about out-of-pocket costs? Those, too, will increase at a rate much faster than wage increases.

Today, health care coverage costs the average American family more than \$13,000 a year, according to the Kaiser Family Foundation. If current trends continue without reform, the average family plan will cost more than \$30,000 a year in the next 10 years. That is up from \$13,000 today to \$30,000 10 years from now. And businesses could see their health care costs double in that same time. Without reform, our Nation's long-term fiscal picture is almost certainly unsustainable.